



EXECUTIVE OFFICE OF THE PRESIDENT
Approved For Release 2001/08/09 : CIA-RDP89-01114R000300080035-8
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

19-6599

BULLETIN NO. 80-2

October 25, 1979

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Increased pay costs for fiscal year 1980

1. Purpose. This Bulletin provides instructions for the submission of an analysis of increased pay costs for fiscal year 1980 and guidance on the possible absorption of such costs and on the pay supplementals required.

2. Background. Office of Management and Budget (OMB) Circular No. A-11 (sections 13.4(d) and 32.7(b)) instructed agencies to include amounts for the October 1979 pay raise in their 1980 and 1981 budget estimates, if the new pay rates were known at the time of submission. Agencies should include in their budget schedules the additional 1980 and 1981 amounts required for the pay raise when they are informed by OMB of their 1981 budget allowances.

The information submitted pursuant to this Bulletin will provide the basis for requests to the Congress in the 1981 Budget for the 1980 pay supplementals.

3. Coverage. These instructions apply to the fiscal year 1980 costs of:

a. Civilian personnel pay raises effective in October 1979 under Executive Order 12165 issued pursuant to P.L. 91-656, and comparable raises granted by administrative action. Also pay raise limitations, effective in October 1979, under an amendment to Executive Order No. 12165 that will be issued shortly, pursuant to P.L. 98-86. This would affect the pay of those covered by the Executive and Senior Executive Service Schedules and those civilian positions for which the rate of pay is limited by the amount payable for Executive Level V.

b. Military personnel pay raises effective in October 1979 under Executive Order 12165 issued pursuant to P.L. 90-207.

Approved For Release 2001/08/09 : CIA-RDP89-01114R000300080035-8

c. ~~Account was used to pay raises current effective~~ in fiscal year 1980 and granted under 5 U.S.C. 5341, together with additional raises estimated to be granted under the same authority through September 30, 1980. Note: Section 613 of the Treasury, Postal Service, and General Government Appropriation Act, P.L. 96-74, prohibits the use of funds under that Act or any other appropriations act to fund increases in wage board pay rates authorized by 5 U.S.C. 5343 that exceed the overall percentage increase in the general schedule rates of basic pay in fiscal year 1980.

d. Senior Executive Service rank and performance awards, pursuant to the Civil Service Reform Act of 1978, P.L. 95-454.

4. Absorption policy. The amount of the 1980 pay increase costs specified above will be computed on the basis of the latest approved 1980 program levels.

Agencies are expected to absorb a minimum of 40% of total increased pay costs by:

a. Using all available resources within the account to cover increased pay costs, including savings and revenues obtained from:

- o effects of personnel levels that are lower than anticipated under available funds;
- o funds provided in appropriations to cover costs of parking that have now been offset by parking charges (OMB Circular A-118 and Treasury Bulletin 79-14); and
- o 1980 reductions in travel and transportation of persons and things required by section 112 of P.L. 96-86; and other reductions in operating costs.

b. Using existing transfer authority to maximize absorption when resources within an account are insufficient to meet such costs.

c. Seeking additional transfer authority between appropriation accounts within the same agency. (See paragraph 7.)

Each agency will apply the principles set forth in OMB Circular Nos. A-117 and A-64 to achieve economies through cost reduction, position management, and other management

improvement ~~Approved For Release 2001/08/09 : CIA-RDP89-01144R000300080035-8~~ apportionment, requests should be submitted in accordance with paragraph 6 below to apportion any previously deferred funds (line 10 of S.F. 132) or unapportioned balances of revolving funds (line 11 of S.F. 132) that may now be used to meet increased pay costs. Pay supplementals should be proposed only when the head of the agency has determined that full absorption is not possible.

Available resources will be applied first to program increases for uncontrollable items that qualify for deficiency apportionment, to the extent that the total amount of these program increases can be absorbed. Remaining available resources should be applied to cover the various types of increased pay costs (i.e., civilian statutory pay systems, military pay systems, wage board, administrative action, and SES rank and performance awards) in the following order of priority:

(1) Any type of increased reimbursement to other accounts due to increased pay costs (including payments to revolving funds).

(2) Any type of increased pay cost (including increases due to SES rank and performance awards), that can be absorbed in full.

(3) Any type of increased pay cost that cannot be absorbed in full.

5. Preparation of required materials. Each agency is required to submit to OMB by November 16, 1979, an analysis of increased pay costs for fiscal year 1980. The analysis will be prepared in accordance with the instructions in Attachment A and submitted in the format of the related Exhibit. In all cases, the amount that the agency intends to request for the pay raise supplemental should be included in the print material submission for the 1981 Budget Appendix that reflects budget determinations. Agencies whose budget determination print submission will be due in OMB prior to November 16, should perform the pay analysis in advance of that date so that their submission includes the amounts to be requested for the pay raise supplemental.

In addition to the required analysis, the agency submission will include:

a. A narrative explanation of the methods used in computing the increased pay costs.

b. Proposed appropriation language, including that required to change limitations or to provide for extended availability in the case of multiple-year and no-year accounts (i.e., "to remain available for obligation until...").

Guidelines to be used in drafting proposed appropriation language are presented in Attachment B.

6. Apportionment and reapportionment requests. Agency requests for reapportionment to reflect increased pay costs for FY 1980 will be submitted (as necessary) in accordance with Part IV of OMB Circular No. A-34. Requests for "deficiency" apportionments that anticipate a need for pay supplementals are authorized by section 107 of P.L. 96-86 and must be accompanied by three copies of the agency head's statement of necessity, as required by 31 U.S.C. 665(e)(1). The agency head's statement will be worded as follows:

"I hereby determine that it is necessary to request apportionment (or reapportionment) of the appropriation '(appropriation title)' on a basis that indicates the necessity for a supplemental estimate of appropriations for pay increases in accordance with section 107 of P. L. 96-86."

When a group of such requests is transmitted at one time, a single certification may be used for all requests. Reapportionment requests for increased pay costs are to be submitted to OMB within 10 days of final OMB approval of the supplemental appropriations to be requested in the 1981 Budget.

7. Supplemental appropriations for 1980. The proposed appropriation language and analysis required under paragraph 5 will serve as the basis for the request for 1980 pay supplementals. Upon approval by OMB of amounts of supplemental appropriation requests, agency budget schedules will be adjusted as necessary. Program supplementals will be handled separately, in accordance with sections 39.1 - 39.6 of OMB Circular No. A-11.

If an agency is seeking a supplemental to be derived by transfer between appropriation accounts (see paragraph 4c) that involves:

- no withholding or delaying of the availability of funds, no deferral report is required. (In these cases, available resources should be apportioned in

Approved For Release 2001/08/09 : CIA-RDP89-01114R000300080035-8
the losing accounts 58 that transferred are available in the last half of the fiscal year.)

- withholding or delaying the availability of funds (in order to preserve the funds for transfer), a deferral report (see OMB Bulletin No. 75-15) is required and should be submitted, as appropriate, with the supplemental request.
- funds that cannot be used in the losing account regardless of whether the Congress accepts the transfer request, a rescission proposal is to be submitted once a definite amount of excess funds is known. When such a definite amount is not known at the time the supplemental is requested, OMB should be notified of these circumstances. In those cases, the rescission proposal (and the related request for withholding) should not be submitted until a definite amount of excess funds is known by the agency.

James T. McIntyre, Jr.
James T. McIntyre, Jr.
Director

Attachments

Analysis of Increased Pay Costs for
Fiscal Year 1980

Each agency will submit by November 16, 1979, an analysis of increased pay costs for fiscal year 1980 resulting from the pay raises specified in paragraph 3 of this Bulletin. An original and two copies of this analysis will be prepared for fiscal year 1980 in the format illustrated by the Exhibit. The analysis will be accompanied by the narrative explanation and appropriation language required in paragraph 5 of this Bulletin.

For purposes of this analysis, amounts for allocation accounts (transfer appropriation accounts) will be incorporated in the amounts shown for the parent account rather than in the amounts shown for the receiving agency. Each agency receiving an allocation will furnish to the agency responsible for the parent account the data necessary to prepare the analysis (including justifications) by November 2, 1979 unless other arrangements have been made by the agencies concerned. Allocation accounts will be considered a source of transfer only by the parent agency.

Advances or reimbursements between Government accounts should be treated in the following way:

- The performing agency will include the associated increased pay costs in columns 2 and 3 of their analysis. (See attached exhibit). These costs will also be included in column 5, treated as a part of the performing agencies' absorption. (See instructions for entries under column 5 below.)

- The ordering agency will consider these increased pay costs as a part of ordinary expenses and will not include them in columns 2 and 3 of their analysis, since such costs relate to employees of the performing agency. The ordering agency will absorb, to the maximum extent possible, the payments to other accounts or agencies for the increased pay costs through administrative action and will report the portion of the payment for increased pay costs that cannot be absorbed through administrative action in column 4 of the analysis. (See instructions for entries under column 4 below.)

Where more than one type of pay increase is involved (i.e., civilian statutory pay systems, military pay systems, wage

board, administrative action, or SES rank and performance awards) the amounts applicable to each will be reported separately in columns 2 through 4 of each analysis. Increased pay costs for allocation accounts will be included, by type of pay raise, in the amounts shown for the parent account in columns 2 through 4. In columns 5 through 8, the amounts for each account will be reported in total (i.e., without separately identifying the amount associated with each type of pay increase or allocation account).

The final entry in each table will be labeled "Total, all pay increases" and will show the total amounts for the agency for columns 2 through 8.

The analysis will be prepared on 8 1/2" x 14" paper, as described below:

Column 1. List under each bureau or organizational unit to which separate appropriations or funds are available, the title of each account (other than allocation accounts) out of which any increased pay costs are paid directly. These will include revolving and management funds (excluding consolidated working funds) and trust funds. Account titles will be listed in the order in which they appear in the budget. At least one line should be left between account titles.

Increased pay costs under civilian statutory pay systems will be entered without further identification. Other types of pay increases (i.e., Senior Executive Service rank and performance awards, wage board, administrative action, military pay systems) will be identified in the stub column under each account where appropriate.

Column 2. Enter the direct cost of pay raises for employees paid from the reporting account whether or not the costs result from the performance of reimbursable work. Agencies should be careful to include any additional payments that are normally associated with object class 11, such as overtime, Sunday premium pay, etc. If the increased pay cost is disproportionately high in relation to the base for any account, the reasons should be fully set forth in the narrative explanation. Do not report in this column advances or reimbursements to other accounts for work or services. (To the extent they cannot be absorbed through currently authorized agency administrative action, they are to be reported in column 4.)

Column 3. For each listed account, report the added costs that are indirectly related to the pay raise, whether or not the costs are reimbursable. For this purpose, the related costs include such items as Government retirement contributions, employer FICA taxes, Government contributions to employee life insurance premiums, and other payments that are based on employees' salaries.

Do not report in this column advances or reimbursements paid to other accounts for work or services. (To the extent they cannot be absorbed through currently authorized agency administrative action, they are to be reported in column 4.)

Added costs, if any, for SES rank and performance awards should be identified separately.

Column 4. Enter the portion of the increased pay costs to be paid as advances and reimbursements to other accounts that cannot be absorbed through administrative action. In most cases this column should be blank, since payments to other accounts will be considered for absorption ahead of the increased pay cost of the reporting account.

Column 5. Report, in total for each account, the portion of the increases shown in columns 2 and 3 that can be absorbed through currently authorized agency administrative action. This will include absorptions through existing transfer authority from other accounts and amounts to be covered by reimbursements from other accounts.

Column 6. Report, in total for each account, the portion of the increased costs in columns 2, 3, and 4 that could be absorbed if the Congress provides new transfer authority or authority to increase limitations on administrative expenses or personal services.

Column 7. Total of columns 5 and 6.

Column 8. This column should equal the sum of columns 2, 3, and 4 minus column 7, and will represent the additional appropriation considered necessary for the account as a result of the pay raises reported.

Guidelines for Drafting Proposed Appropriation Language
for Pay Supplementals for Fiscal Year 1980

Indentation, punctuation, and capitalization will conform with the presentation used in Part III, Section II of the 1980 Budget Appendix (pp. 1128-1132).

Organization titles and breaks, including the appropriation account title will generally conform to the fiscal year 1980 appropriation bills as enacted.

All new items not included in the 1980 appropriation bills (e.g., chapter, organizations, accounts, or appropriation language phrases) will be underscored.

Sample formats illustrating the above guidelines follow:

DEPARTMENT OF GOVERNMENT

Office of the Secretary: "Salaries and expenses", \$170,870;

Bureau of Economic Development: "Salaries and expenses",
\$314,880;
"Inspection services", \$213,590 to remain available
until March 30, 1981;

Development Trust Fund: "Limitation on general operating expenses" (increase of \$1,330,000 in the limitation on general operation expenses);

NOTES: a. Amounts are in dollars.
b. Actual size of this form
is 8-1/2 x 14 inches.

EXHIBIT
Bulletin No. 80-

ANALYSIS OF 1980 INCREASED PAY COSTS

Organizational unit and account title (1)	DEPARTMENT OF GOVERNMENT						
	Increase in direct pay and other related cost of this agency		Amounts to be paid to other accounts that are not absorbed administratively (4)	Possible by admin- istrative action (5)	Net absorption		Additional appropria- tion required (8)
	Direct pay (2)	Related cost (3)			Requiring Congressional Action (6)	Total (7)	
Office of the Secretary:							
Salaries and expenses.....	197,420	18,700	. . .)	79,700 ^{1/}	. . .	79,700	170,870
Wage board.....	31,500	2,950	. . .)				
Bureau of Economic Development:							
Salaries and expenses.....	949,160	89,220	. . .)	723,500	. . .	723,500	314,880
Inspection Services.....	176,000	16,540	21,050	213,590
Development Trust Fund.....	1,240,000	111,600	. . .	21,600	1,330,000	1,351,600	. . .
<hr/>							
Government Corporation:							
ABC Revolving Fund (adm. action).....	1,065,000	100,110	. . .	865,110	300,000	1,165,110	. . .
Total:							
Civ. stat. pay systems.....	9,336,400	872,660	42,310)				
Wage board.....	142,500	13,250	. . .)				
Adm. action.....	1,065,000	100,110	. . .)				
SES rank and performance awards.....		. . .					
Total, all pay increases.....	10,543,900	986,020	42,310	5,246,660	1,701,600	6,948,260	4,623,970

^{1/} Includes \$15,000 to be transferred from "Salaries and Expenses, Bureau of Safety" under P.L. _____. (Cite existing author: _____)

ROUTING AND RECORD SHEET

Approved For Release 2001/08/09 : CIA-RDP89-01114R000300080035-8

SUBJECT: (Optional)

Increased Pay Costs for Fiscal Year 1980

FROM:		EXTENSION		NO.
[REDACTED] STATINTL Deputy Director of Personnel 5 E 58		[REDACTED]		DATE 15 November 1979 STATINTL
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. [REDACTED] STATINTL 4 E 20				Dave, We just received this but I assume you received a copy earlier.
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

Distribution:

Orig - Addressee

1 - D/Pers Chrono

✓ 1 - D/Pers Subject

1 - OP/SIS/SS

1 - DD/Pers Chrono

DD/Pers [REDACTED] 8rj
(11/15/79)

ROUTING AND TRANSMITTAL SLIP

Date 11/13/79

TO: (Name, office symbol, room number, building, Agency/Post)

Initials

Date

1. Harry Fitzwater, Dir of Pers.

1979/11/13

STATINTL

3.

4.

5.

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

I thought you might be interested in how OMB is handling increased pay costs for SES. This has gone to budget officers but not personnel directors as far as we know.

STATINTL

ILLEGIB

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

(Post)

OPM

STATINTL

OPTIONAL FORM 102 (Rev. 7-78)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

☆U.S. GPO: 1977-261-647/3187